

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and)	WC Docket No. 11-42
Modernization)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

COMMENTS OF NEW AMERICA FOUNDATION

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I. INTRODUCTION

New America Foundation (“NAF”) respectfully submits these reply comments in response to the Federal Communication’s Commission’s *Notice of Proposed Rulemaking* (“NPRM”) in the above-captioned dockets. NAF reiterates the need for the Commission to remain focused on the primary goal of ensuring vital communications access for all Americans as it reforms the Lifeline and Link Up fund. To that end, NAF believes the following reforms are critical to meeting that goal: expanding eligibility requirements to explicitly include Community Networks; permitting consumers to apply Lifeline discounts to whichever services, bundled or unbundled, they determine best meet their needs; redirecting a portion of savings from the High-Cost fund reform to the Lifeline program; and adopting a broader, more inclusive and innovative approach in its development of the broadband pilot program.

II. THE COMMISSION SHOULD EXPAND PROVIDER ELIGIBILITY FOR LIFELINE AND LINK UP SUPPORT.

As NAF and other public interest commenters have noted in this docket and others, Community Networks are vital resources for making communications accessible and affordable for all Americans. The Commission should ensure that these networks have the opportunity to participate in the Lifeline and Link Up program. And as NAF, Media Access Project, and Consumers Union explained in their reply comments in the High-Cost fund docket, this inclusion could be enabled by classifying interconnected Voice over Internet Protocol (VoIP) as a telecommunications service or by adopting explicit rules that permit facilities-based providers of any voice service, including VoIP, to be eligible for support.

For reasons similar to those outlined in the High-Cost fund reply, baseline eligibility for USF support traditionally depends upon a provider's status as a "Title II" carrier.¹ Thus, "[b]y classifying the service as a telecommunications service, the Commission could provide the clarity needed to expand USF eligibility to encompass providers who currently provide interconnected VoIP voice service," and "would create a path by which broadband-only providers could gain eligibility if they begin offering interconnected VoIP service."²

Thus, classification of interconnected VoIP as a telecommunications service, or at the very least, adopting a definition of eligibility that includes facilities-based providers of a functional voice service equivalent, is imperative to achieving the Commission's statutorily mandated universal service goals as well as the Administration's goal of ensuring ubiquitous broadband access for all Americans.

III. THE COMMISSION SHOULD PERMIT CONSUMERS TO SELECT BUNDLED VOICE AND BROADBAND SERVICES AND SHOULD TRANSITION TO PERMITTING CONSUMERS TO SELECT BROADBAND AS A STANDALONE SERVICE.

Verizon notes that "assuming the extension of Lifeline support to bundled services will increase participation in the Lifeline program, this approach will further grow the fund and has the potential to effectively negate other efforts to constrain the size

¹ See Comments of New America Foundation, Consumer's Union, and Media Access Project at 2, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, and GN Docket No. 09-5 (filed April 18, 2011) (citing the language of §§ 214 and 254).

² *Id.* Note that this reasoning assumes carriers would also be able to reach the additional functionality requirements in 47 C.F.R. §§ 54.101 and 54.401(a). The Commission could forbear from any that may serve as a roadblock to the inclusion of interconnected VoIP.

of the fund.”³ However, neither assumption is necessarily true. Allowing customers to apply a discount to the services of their choosing does not presume the addition of more customers; it only permits any eligible recipient to direct that discount to a plan or service that they feel best suits their communications needs. Indeed, Verizon offers no concrete evidence that estimates the net effects of the proposed change on the fund itself. With only categorical assumptions provided as to such an effect, the Commission’s priority should be meeting its Congressional directive to “ensure the availability of basic communications services to all Americans, including low-income customers.”⁴

Verizon’s assertion that extending support to bundled services would increase program administrative costs is similarly unfounded. Verizon notes that “for carriers that do not offer Lifeline discounts on bundles today, new bundle offerings will have to be developed, systems will have to be re-coded, and customer service representatives will have to retrained.” This argument assumes, however, a mandate that a Lifeline-supported provider *offers* a bundled service; NAF merely asks the Commission to permit consumers to use their Lifeline benefits for whichever service, including bundled or broadband only services, that they desire.

Thus, where the Commission proposes “a uniform federal requirement that Lifeline and Link UP discounts may be used on any Lifeline calling plan offered by an ETC with a voice component, including bundled service packages”⁵, NAF reiterates its

³ Comments of Verizon at 16. Unless otherwise designated, all further references to comments are those filed in WC Docket Nos. 11-42, 03-109, and CC Docket No. 96-45 filed on April 21, 2011.

⁴ NPRM ¶ 1.

⁵ NPRM ¶ 258.

suggestion that the Commission adopt rules that allow Lifeline-eligible customers “the option to apply the full discount to whatever service best meets their needs.”⁶

IV. THE COMMISSION SHOULD REFRAIN FROM CAPPING THE LIFELINE AND LINK UP PROGRAM AND SHOULD REDIRECT SAVINGS FROM THE HIGH-COST FUND TO THE LIFELINE AND LINK UP PROGRAM.

NAF urges the Commission to refrain from imposing a cap on the Lifeline and Link Up program. Instead, as NAF noted in its initial filing,⁷ the Commission should consider diverting a modest portion of the projected savings from the High-Cost fund to the Lifeline and Link Up program. The NPRM proposes to “cap the size of the Lifeline/Link UP program,” potentially “at the 2010¹ disbursement level of \$1.3 billion.”⁸ The NPRM also requests comment as to “whether any cap should be permanent or temporary, perhaps lasting for a set period of years or until the implementation of structural reforms proposed in this Notice.”

NAF strongly opposes any efforts to cap the Lifeline/Link Up program at this time, an opposition that is widely shared by public interest commenters and industry members alike.⁹ Noting that “the [Lifeline and Link Up] program is currently successfully reaching only approximately about 32 percent of eligible recipients,” The Leadership Conference requests that the Commission “not ... adopt a cap on the low-

⁶ NAF Comments at 6.

⁷ *Id.*

⁸ NPRM ¶ 145.

⁹ *See, e.g.* Leadership Council Comments at 9; Benton Foundation Comments at 3; MAG-Net comments at 22; AT&T Comments at 32.

income universal service funds.”¹⁰ Proponents of a cap offer the statistic of 96% subscribership as justification for a cap, saying that the program has already reached its objective.¹¹ Yet it is precisely the remaining 4% who need access to the program most, and existing low-income subscribers may be forgoing other needs to pay for their voice subscription out of pocket, unaware that they may qualify for the Lifeline and Link Up discount.¹²

In addition, differing procedural protocols from programs like E-rate make the imposition of a cap challenging for Lifeline. While commenters point to the caps on other programs of the fund, such as E-rate, as justifications for capping the Lifeline program¹³, as Benton Foundation notes, “Lifeline does not follow an annual funding application cycle like the E-rate program. It would be inappropriate to offer service to the first individuals to apply for it during a funding year—it would lead to a lack of predictability for recipients and administrative nightmares for carriers and administrators.”¹⁴

Moreover, because the fund is in a period of transition and reorganization, now is an inopportune time to make any large-scale changes that would limit the ability of the fund to support communications access for low-income communities. If the Commission is to consider a cap on the program at all, it should wait until after it implements any of

¹⁰ Leadership Council Comments at 9.

¹¹ Verizon Comments at 14.

¹² See Leadership Council Comments at 9 (noting that “the [Lifeline and Link Up] program is currently successfully reaching only approximately about 32 percent of eligible recipients.”).

¹³ Verizon Comments at 14.

¹⁴ Benton Comments at 3.

the broad reforms contemplated in the NPRM.¹⁵ In so doing, it may find that a cap is unnecessary given efforts to curtail waste, fraud, and abuse within the fund.¹⁶

V. THE COMMISSION SHOULD CONSIDER A WIDE RANGE OF PROPOSALS FOR PILOT PROGRAM STRUCTURE BEFORE DECIDING ON ANY ONE MODEL.

The NPRM proposes funding a series of pilot projects to “gather comprehensive and statistically significant data about the effectiveness of different approaches in making broadband more affordable for low-income Americans and providing support that is sufficient but not excessive.”¹⁷ The NRPM suggests a pilot could be a partnership of “one or more broadband providers, and/or one or more non-profit institutions or independent researchers with experience in program design and evaluation.”¹⁸

While supporting the pilot project generally, many organizations have urged the Commission to consider modifications.¹⁹ In its initial comments, NAF encouraged the Commission to expand the scope of these projects to include Community Networks,²⁰ and also now encourages the Commission to focus more specifically on often overlooked components such as technological training and economic development.

The National Association of Telecommunications Officers and Advisors similarly supports a broader consideration of parties involved in the pilot, noting that “it is vital

¹⁵ See Comments of AT&T at 32.

¹⁶ See Leadership Conference Comments at 9 (noting that “[i]f the Commission is currently considering programmatic changes that will target some of the recent sources of growth in the program, it seems more appropriate to see whether those changes have the desired impact before adopting a cap.”)

¹⁷ NPRM at 87.

¹⁸ NPRM at 88.

¹⁹ See NATOA Comments at 4; Benton Foundation at 6; Leadership Conference Comments at 4

²⁰ NAF Comments at 8-9

that the Commission involve others in the project, such as private foundations, non-profit institutions, equipment manufacturers, digital literacy training professionals, and so on,” and it “encourage[s] the Commission to...not necessarily focus on a single adoption model.”²¹ In addition, the Benton Foundation suggests that “[t]he Commission...test programs that look beyond eligible telecommunications carrier (ETC) capacity.”²² Finally, The Leadership Conference on Civil and Human Rights (“Leadership Conference”) notes that “members of The Leadership Conference...are currently providing these services in partnership with the federal government, private sector and other non-profits...but would not be able to get funding if the pilots were limited to ETCs.”²³

NAF highlighted the problem with limiting eligibility to ETCs in its initial comments, noting the disparities in eligibility between BTOP and BIP programs and Lifeline, as well as the differing eligibility requirements among the USF programs themselves.²⁴ It noted existing Community Networks such as those in Lompoc, California, Asheville, North Carolina, and Lawrence, Kansas, as successful examples of affordable broadband deployment. In addition, it notes that BTOP programs can serve as successful models for or help inform different components of the pilot program.

²¹ NATOA comments at 4.

²² Benton Foundation at 6.

²³ LCCR at 4.

²⁴ New America Foundation Comments at 3 (“Community Networks recently received eligibility to lease dark fiber to eligible schools and libraries as part of the E-Rate program. In addition, non-profit, community-based networks are eligible for and currently receive substantial funding through the Broadband Technology Opportunities Program (“BTOP”) and Broadband Initiatives Program (“BIP”)”).

For example, a community network prototype deployed by The Detroit Digital Justice Coalition in June 2010 could serve as one model. Using a mesh wireless broadband network, the project provides affordable Internet access to The Spaulding Court complex on Rosa Parks Boulevard in Detroit's North Corktown neighborhood.²⁵ Partners include community anchor residents, existing community projects as a driver for cooperation, and technical expertise within the community. Hyper-local networks such as this one can spur adoption at the most basic community levels, providing support tailored to the communities they serve and facilitating deployment at very affordable rates.

An additional important aspect of successful broadband deployment is training, a component supported by industry members and non-profits²⁶, and included in a number of funded BTOP adoption and public computer center programs.²⁷ For example, the Freedom Rings Partnership²⁸ in Philadelphia is funded through a BTOP grant to the Urban Affairs Coalition for sustainable broadband adoption programs and a BTOP grant to the City of Philadelphia for the purpose of establishing or expanding 77 public

²⁵ Press release, "Detroit Digital Justice Coalition Awarded \$2 Million to Enhance Local Information Economy" New America Foundation (Sept. 28, 2010) *available at* http://newamerica.net/pressroom/2010/detroit_digital_justice_coalition_awarded_2_million_to_enhance_local_information_econ.

²⁶ See Comcast Comments at 4 (noting that "[a]ccess to affordable equipment and training will be crucial"); One Economy Comments at 21 (noting that "[t]raining options should be offered in both an online and in person capacity and should be based upon the needs of the targeted demographic").

²⁷ See The Broadband Technology Opportunities Program Expanding Broadband Access and Adoption in Communities Across America Overview of Grant Awards, *available at* http://www.ntia.doc.gov/reports/2010/NTIA_Report_on_BTOP_12142010.pdf. The NTIA has awarded funding to 44 adoption programs and 66 public computer center programs through the Broadband Technology and Opportunities Program (BTOP).

²⁸ *Available at* <http://www.freedomringspartnership.com>.

computer centers. The program will distribute 5,000 laptop computers to public housing residents who complete a broadband training curriculum; will provide computer skills and broadband training to approximately 15,000 residents; and will offer as many as 100,000 training hours focusing on online connectivity, career building, community resources, and education.”²⁹ It includes multiple community organizations serving different demographics throughout the city.

These community organizations are instrumental participants in broadband adoption programs. The FCC has found that digital literacy and relevance are two of the primary obstacles to broadband adoption given by non-adopters.³⁰ Broadband adoption partners on the Freedom Rings Partnership like Media Mobilizing Project³¹ address these concerns by leveraging media training as a conduit for digital literacy. Participants in Media Mobilizing Project programs utilize community production tools to create Internet video and audio content on issues of importance to them, gaining digital literacy skills and developing a tangible understanding of how broadband and the Internet can have an impact on their lives.³²

²⁹ The Broadband Technology Opportunities Program Expanding Broadband Access and Adoption in Communities Across America Overview of Grant Awards
http://www.ntia.doc.gov/reports/2010/NTIA_Report_on_BTOP_12142010.pdf

³⁰ John Horrigan, *Broadband Adoption and Use in America*, Omnibus Broadband Initiative Working Paper Series 1, *available at*
http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf.

³¹ <http://mediamobilizingproject.org/>

³² Indeed, the NTIA has praised the strength of these projects, with NTIA Chief of Staff Tom Powers noting that “BTOP projects, like the Freedom Rings Partnership... will create jobs and lay the groundwork for sustainable economic growth. NTIA is proud of the benefits of the Broadband Technology Opportunities Program – which is helping to increase broadband access and adoption in communities across the country.” Arun Prabhakaran and Mary-Anne Smith Harris, *Broadband Opportunities Reach*

As the Commission develops and implements the Lifeline broadband pilot program, NAF urges it to explore adoption and training programs as a critical component of the pilot program, and to examine ways it can integrate both the successes realized by community network providers and public-private partnerships in the BTOP program, as well as allowing community networks to participate directly in the pilots themselves.

VI. CONCLUSION

For the reasons noted above, New America Foundation respectfully asks the Commission to include in its rules expanded eligibility that includes Community Networks, permits consumers eligible for Lifeline discounts to apply those discounts to services of their choosing, refrains from the imposition of any sort of cap on Lifeline funds, and creates a pilot program that reflects successful components of existing deployment projects and is inclusive of Community Networks.

Respectfully Submitted,

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Philadelphia, Broadband USA Blog (January 19, 2011) available at www2.ntia.doc.gov/node/750.